

Rights and Sustainability in Timor-Leste's Development

Presentation to ANU SSGM Seminar

By Charles Scheiner, La'o Hamutuk

27 November 2013



Topics to discuss

- 1. Petroleum dependency – Timor-Leste is cursed by its (lack of diverse) resources.**
- 2. The state budget and national economy are not sustainable.**
- 3. If wishes were horses ... dreams should (mostly) be based on reality.**
- 4. Justice and land rights (no time today, but in handout).**

History in one slide

- People have lived in Timor-Leste for at least 5,000 years.
- Portuguese colonized nearly 500 years ago.
 - They brought Catholicism but little development or education.
 - **Onshore oil exploration started in 1890s.**
- Australia, then Japan, invaded in 1941-45.
 - 40,000-60,000 Timorese killed in WWII, which didn't involve them.
- Portugal's military dictatorship resumed control in 1945.
 - **Offshore oil exploration began in the 1960s.**
- Portugal began decolonizing in 1974.
 - After Carnation Revolution brought down Portuguese dictatorship
 - TL declared independence 28 November 1975 ... but 10 days later
- **Indonesia invaded on 7 December 1975.**
 - Indonesia killed 100,000-200,000 Timorese in 24-year occupation.
 - **Timor-Gap Treaty 1989; oil production started 1998.**
- Referendum in 1999, then 2½ years of UN rule.
- Finally restored independence on 20 May 2002.
 - **Oil income got much larger since 2005-2007.**

1. Petroleum Dependency

Timor-Leste is one of the most petroleum-export dependent countries in the world. This determines our State, our economy and our future.

Basic Statistics

- More than half of Timor-Leste's people live in poverty, and the number is growing.
- 80% of the people live in rural areas, largely by subsistence farming.
- About 1,500 Timorese children under 5 years old die from preventable conditions every year ... about 20 times the number of people who die from physical violence.
- More children die from diarrhea than malaria, and our malaria rate is among the highest in the world. Sanitation and malnutrition are endemic.

Basic Statistics

By 2020, 250,000 more babies will have been born, and the only producing oil and gas fields will be used up.

How will they survive?

Petroleum Dependency

- Projected state revenues in 2014:..... **\$2,380 million**
\$2,213 million (93%) will be from oil (incl. \$770m investment return)
\$ 166 million (7%) will be from non-petroleum sources
- 2014 State Budget:..... **\$1,500 million**
\$903 million (60%) will be taken from the Petroleum Fund in 2014.
\$430 million (29%) more is from the Petrol. Fund in the past and future.
- Non-oil GDP in 2011:..... **\$1,046 million**
 Petroleum GDP in 2011:..... **\$3,463 million (81%)**
- State activities, paid for with oil money, are about half of our "non-oil" economy, because some of this money circulates in the local economy.
- Balance of trade (2012): **\$664m imports, \$31m exports.**
- Petroleum "income" goes to the State, not the people.

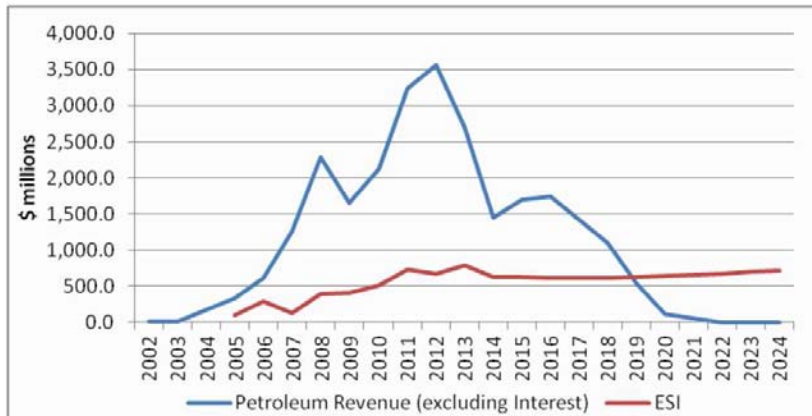
South Sudan (and Equatorial Guinea?) are the only countries which depend more on oil and gas exports than Timor-Leste.

Australia is more "oil-rich" than Timor-Leste

	Timor-Leste	Australia
Known oil and gas reserves per citizen	797 barrels	1,178 barrels
How long they will last at 2012 production rates	14 years	58 years

Oil income will continue to decline.

Figure 2.5.3.2.1: Timor-Leste's Petroleum Revenues and Estimated Sustainable Income 2002-2025
From Ministry of Finance's proposed 2014 State Budget



Timor-Leste has already received 60% of the revenues from Bayu-Undan and Kitan, and they could end in seven years.

Oil is running out quickly!

Table 2.5.3.2.2: Petroleum Wealth and the Estimated Sustainable Income (ESI), \$ millions

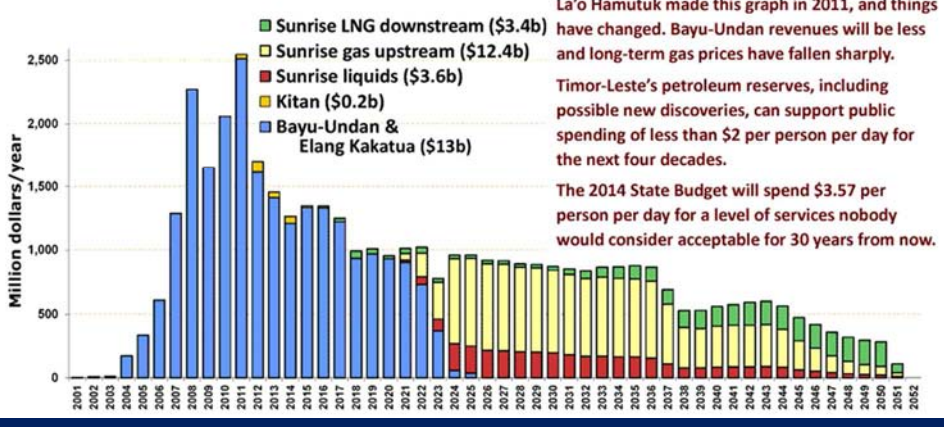
	2013 BB1	2014 Budget	2015	2016	2017	2018
Estimated Sustainable Income (PWx3%)	787.0	632.3	638.7	628.4	616.0	612.8
Total Petroleum Wealth (PW)	26,231.7	21,076.3	21,291.0	20,947.4	20,534.9	20,425.9
Opening PF Balance	10,776.7	14,058.5	15,369.0	16,431.1	17,548.5	18,723.9
Net Present Value of Future Revenues	15,455.0	7,017.8	5,922.0	4,516.3	2,986.4	1,702.0

Source: Petroleum Fund Administration Unit

This table, from the 2014 budget proposal, shows how quickly our future revenues will decline, as the ESI falls every year.

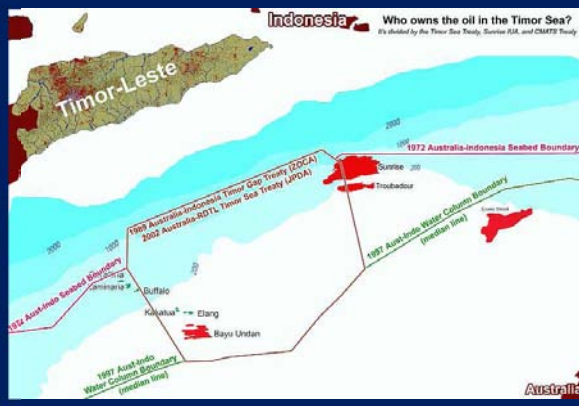
TL's oil wealth alone cannot meet our needs.

Timor-Leste's Annual Petroleum Revenues (discounted 3.7% / year) If Sunrise construction starts in 2016.



Sunrise and maritime boundary dispute

- Australian companies began exploring Sunrise in the early 1970s, after Australia and Indonesia divided our maritime resources without involving Portugal. In 1989, they closed the "Timor Gap" to share illegally occupied resources in the Joint Development Area.
- The 2006 CMATS treaty bans maritime boundaries discussion for 50 years. It divides Sunrise upstream revenues 50-50.
- Australia put its greed for oil before respect for its sovereign neighbors or international law.
- Based on UNCLOS, TL owns everything north of the median line.

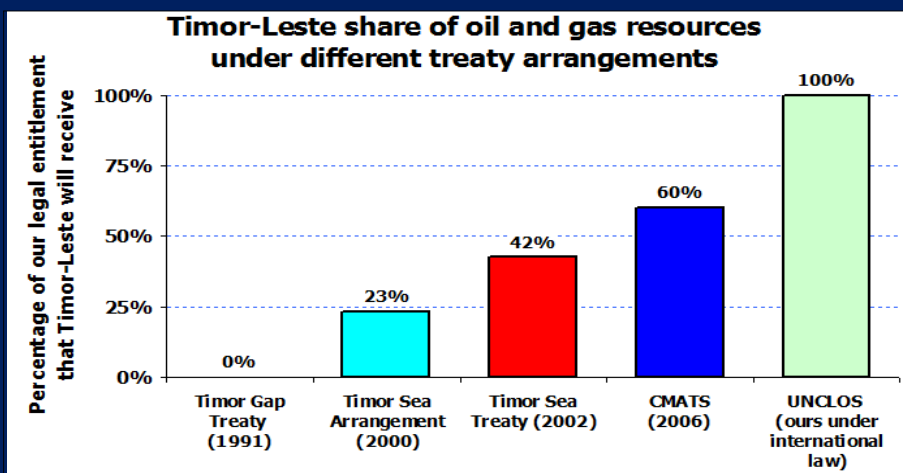


Conspiring to steal Timor's wealth

1989:
 Foreign ministers Gareth Evans and Ali Alatas toast the signing of the Timor Gap Treaty while flying over the Timor Sea.

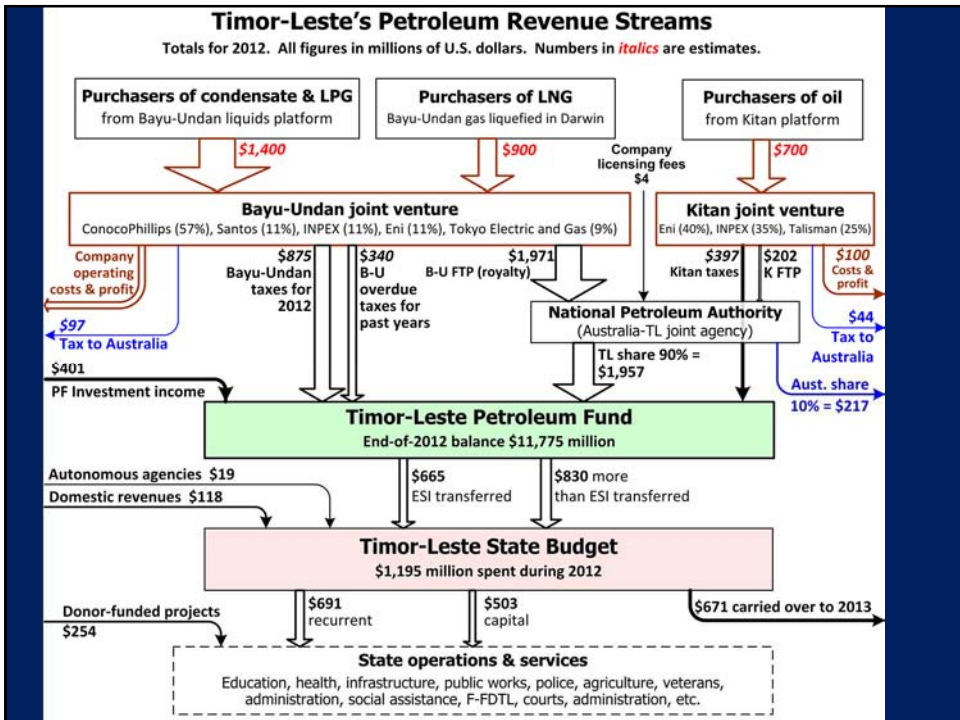
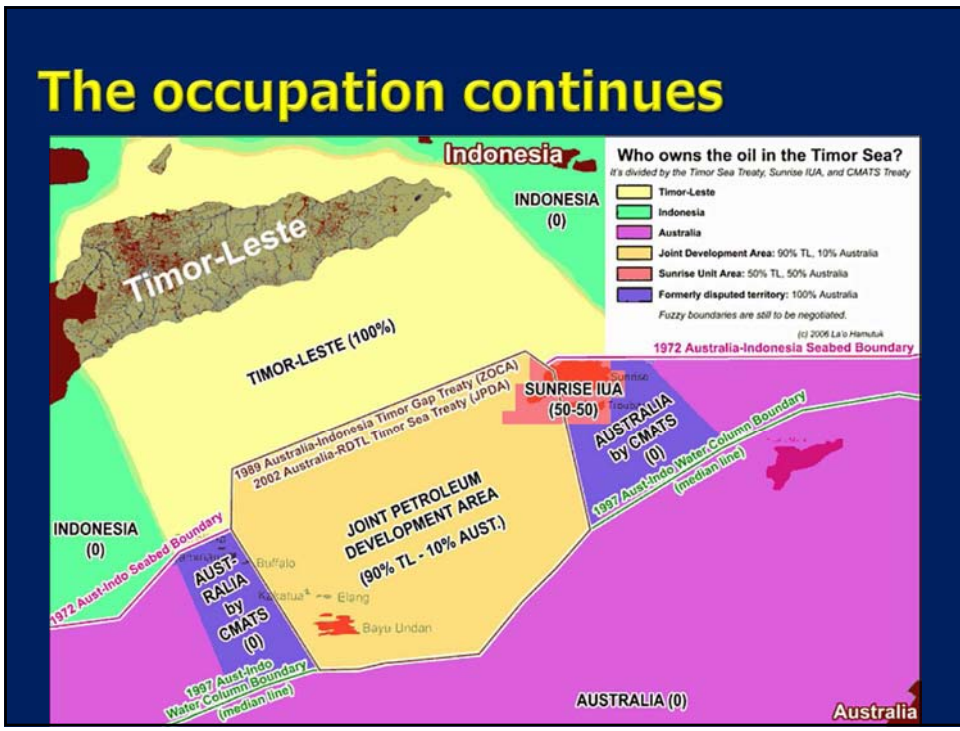


Australia is still stealing 40%.

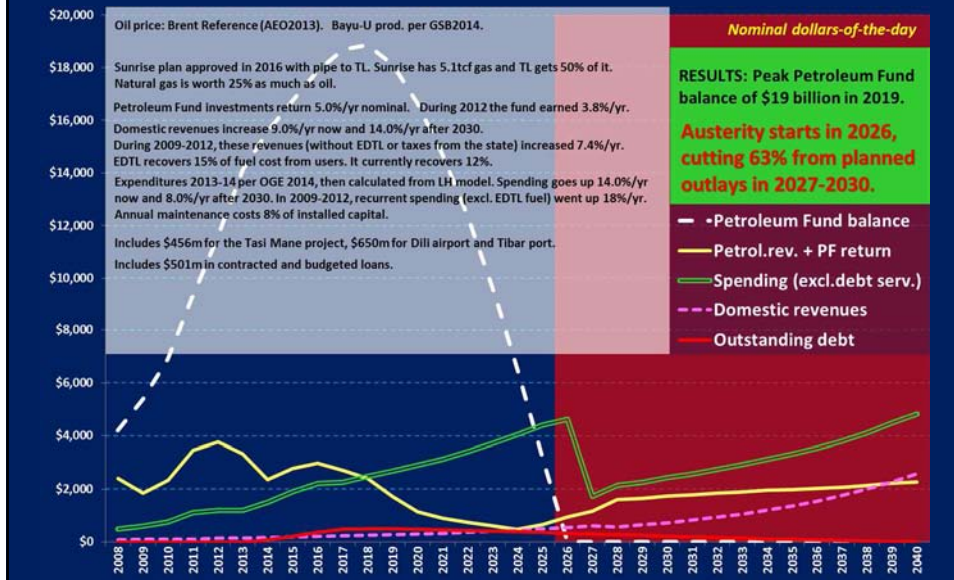


This graph includes known fields which would belong 100% to Timor-Leste under the international law median line principle: Bayu-Undan, Elang-Kakatua, Greater Sunrise, Kitan, Laminaria-Corallina and Buffalo.

The occupation continues



If current trends continue, TL will be unable to finance its budget in 13 years.



Signs of the "resource curse" (1)

- **Acting as if the oil money will last forever**
Bayu-Undan and Kitan will be dry by 2020.
- **Borrowing today, to repay tomorrow**
TL will borrow \$502 million in the next six years, often for projects with little chance of return.
- **Lack of realistic long-term planning**
The Strategic Development Plan 2011-2030 is but a dream.
- **Seeing money as the solution to every problem**
It's easier to buy a scholarship than to build a university.
- **Spending without thinking**
Recurrent expenditures go up more than 20%/year; projects often produce little result or return.

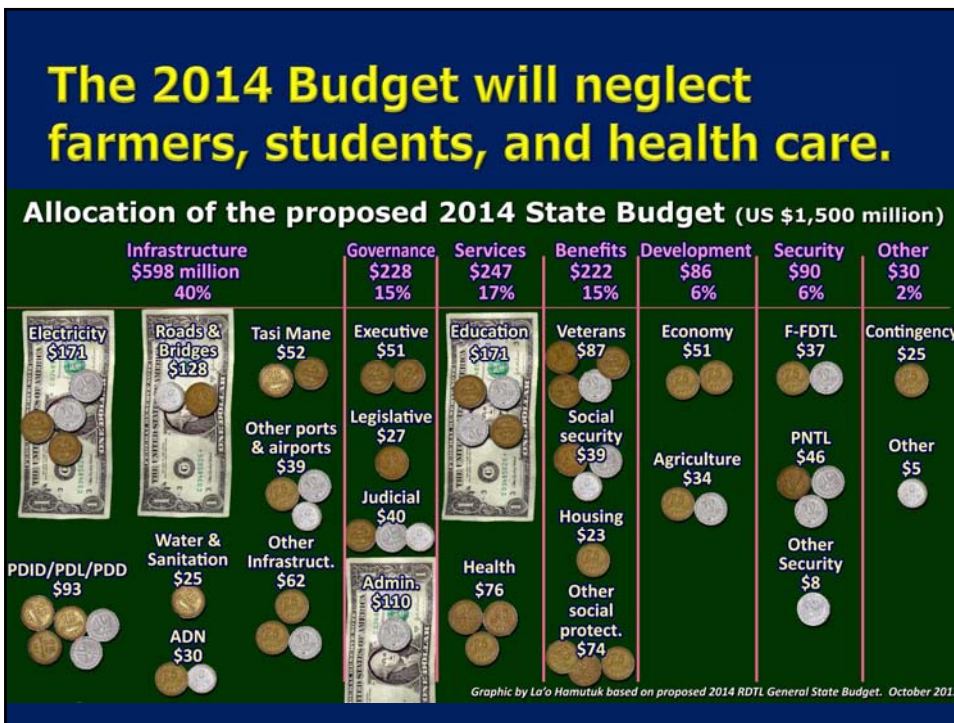
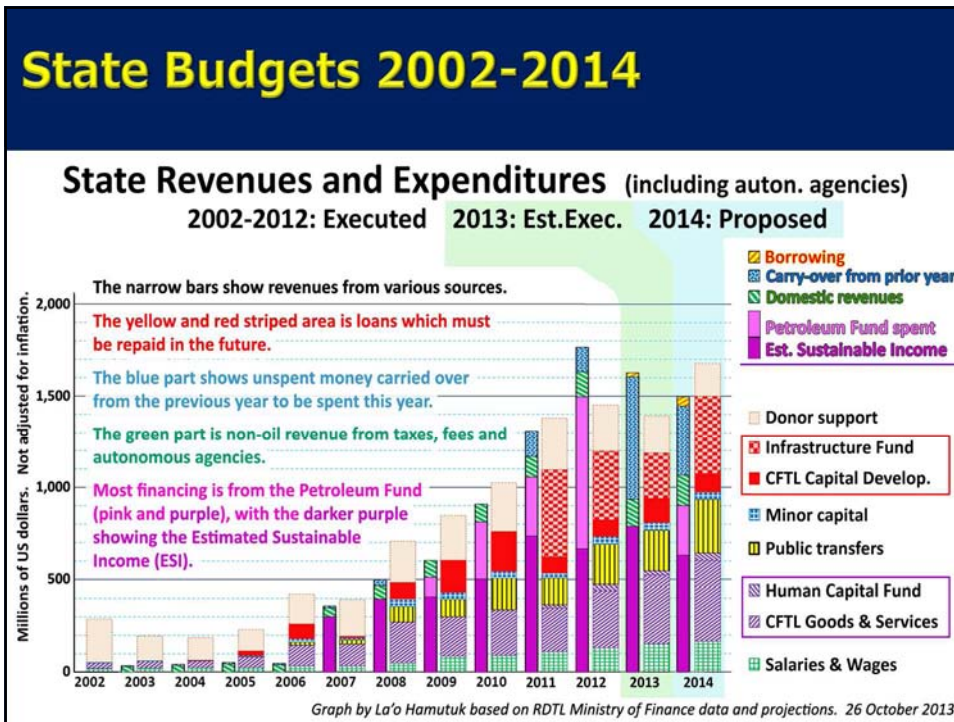
Signs of the "resource curse" (2)

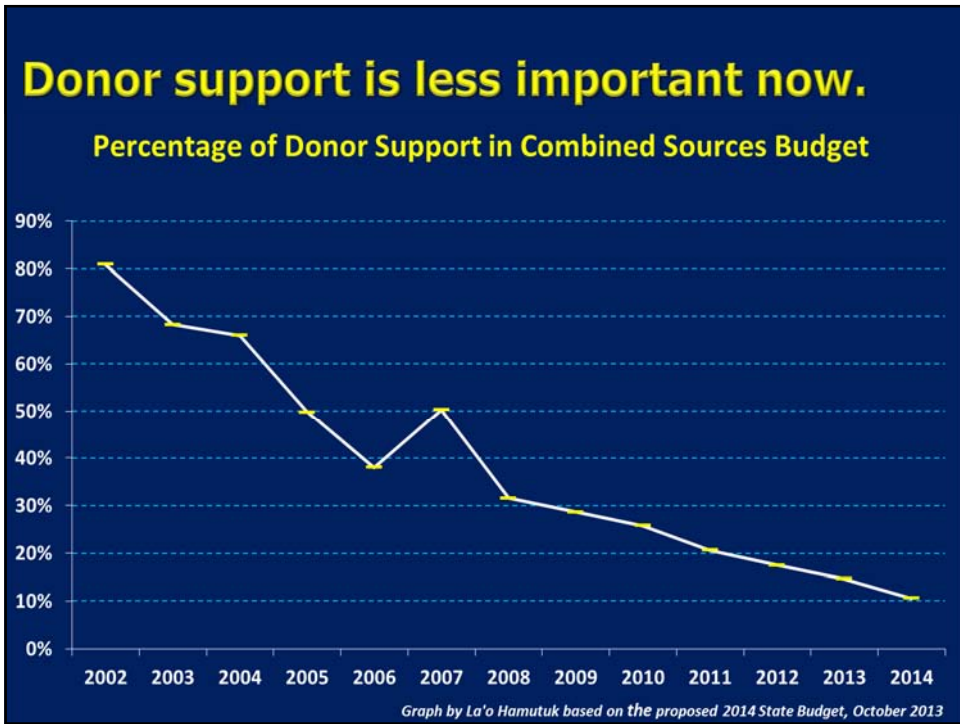
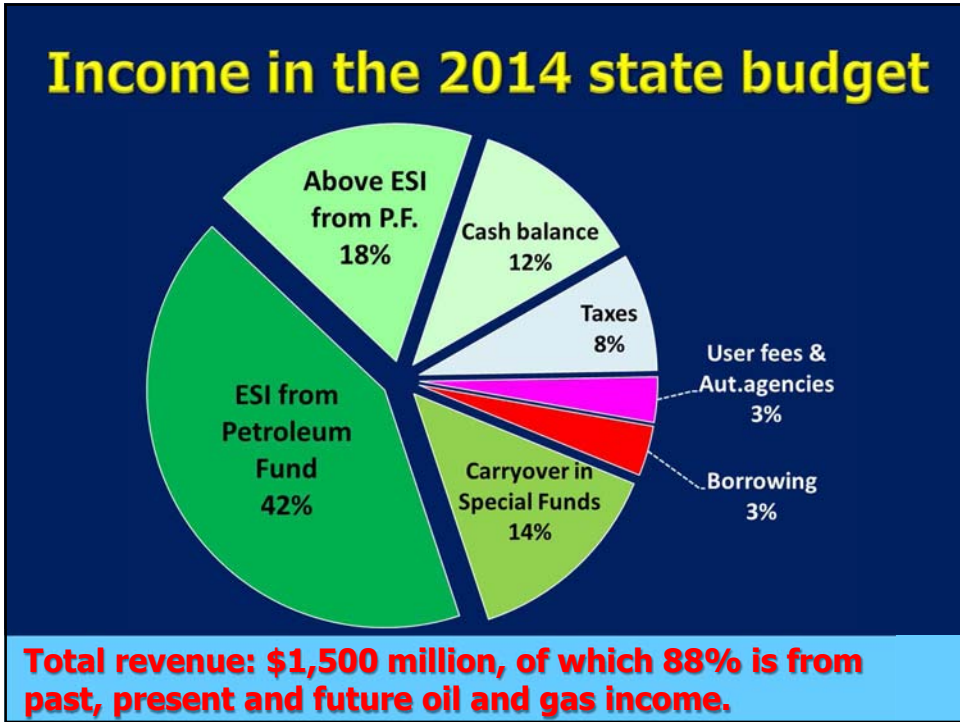
- **Import dependency**
In 2011, TL's non-oil balance of payments deficit was \$1.5 billion.
- **Inflation from little local productive capacity**
Our productive economy cannot absorb the cash in circulation
- **Ignoring non-oil development and revenues**
- **Benefits go mostly to the urban elite.**
Most people won't use highways, airports and oil facilities ... but will share the costs of paying for them.
- **Petroleum "captures" decision-making.**
Agriculture, tourism, small industries, etc. don't get a "fair go."

2. Unsustainable budget and economy

Timor-Leste has almost no industry and a tiny private sector.

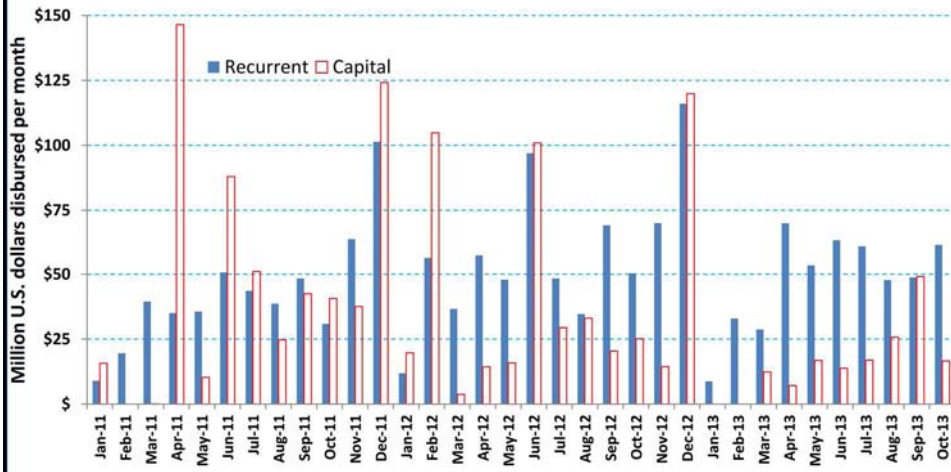
Our State Budget has grown faster than nearly every country in the world.





Budget Execution 2011-2013

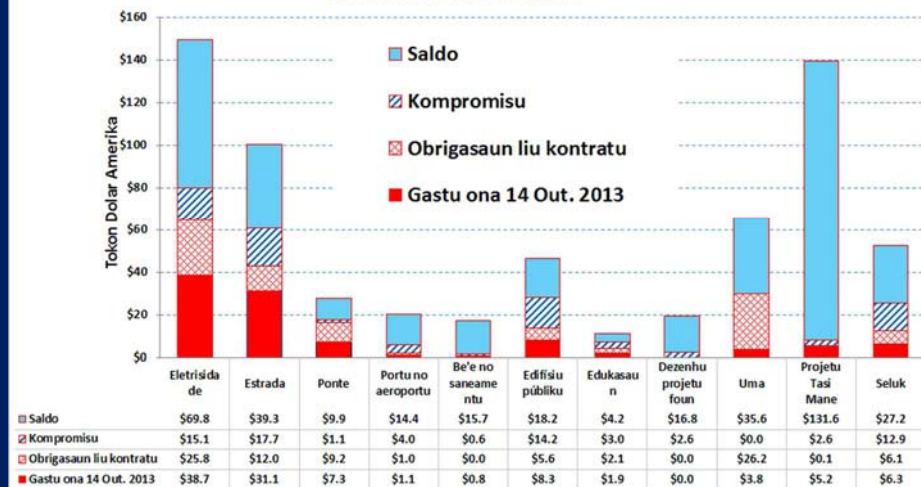
Budget Execution in cash by month (through 28 Oct. 2013)



Graph by La'o Hamutuk from RDTL Budget Transparency Portal. 28 October 2013

Infrastructure Fund in 2013

Ezekusaun Fundu Infraestrutura hafoin trimestra tolu iha tinan 2013
Alokasaun total token \$604

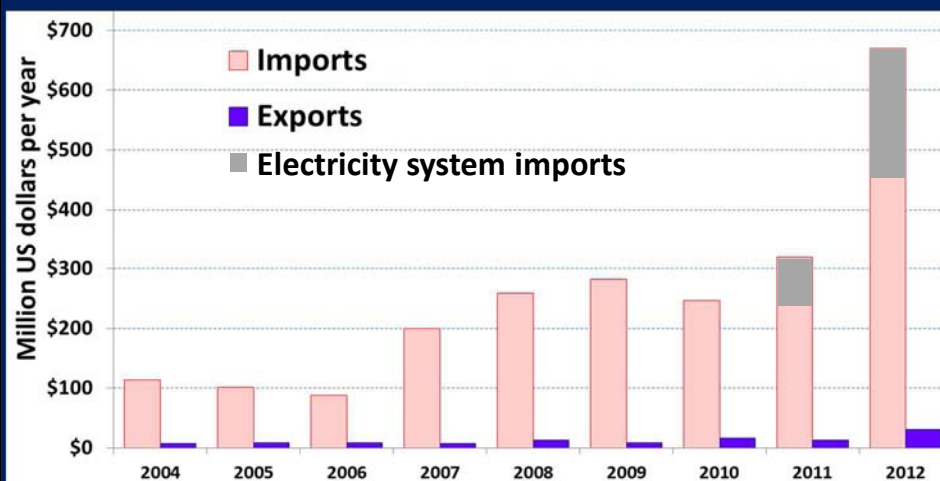


Real Threats to Real Security

- Human security is health care, food, education, employment, housing, etc.
- 20 times as many Timorese children under five die from avoidable conditions as people are killed by violence.
- These children will not be helped by police, soldiers or judges, but many donors prioritize the "security sector," seeing everything through a conflict lens.
- We must diversify our economy and strengthen our people and workers to prepare for the day our oil runs out and we can no longer pay for imports.



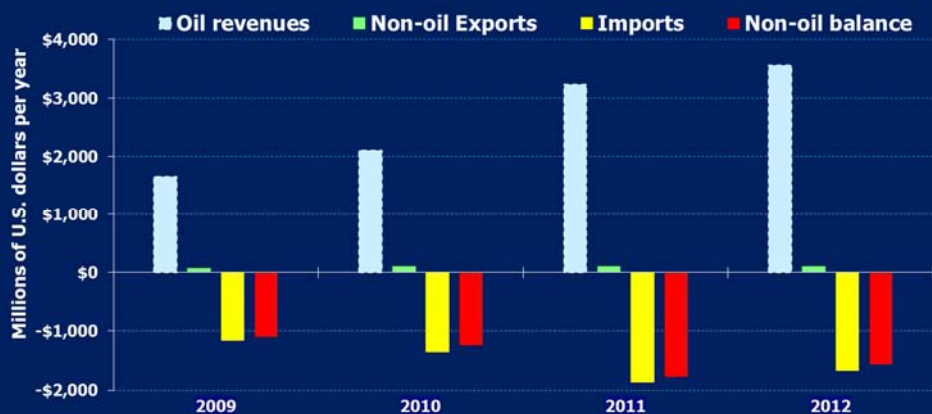
Timor-Leste's Balance of Trade



The graph shows legal goods trade only. About 89% of donor spending and more than 70% of state spending leaves the country.

We have a \$1.5 billion trade deficit, covered by oil revenues...for now.

Timor-Leste's Balance of Payments (goods & services)



Graph by La'o Hamutuk based on Central Bank Balance of Payments data, July 2013

Timor-Leste changes every year.

- **Population**

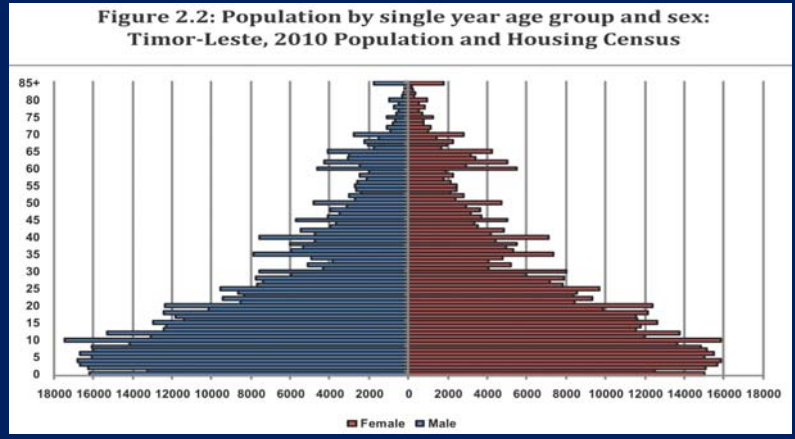
is increasing 2.4% per year, doubling in less than 29 years (the post-war "baby boom" will become parents).

- **Inflation**

Consumer prices increased more than 11% during 2012.

People's needs and desires will increase as the nation develops.

Many children will become youth.

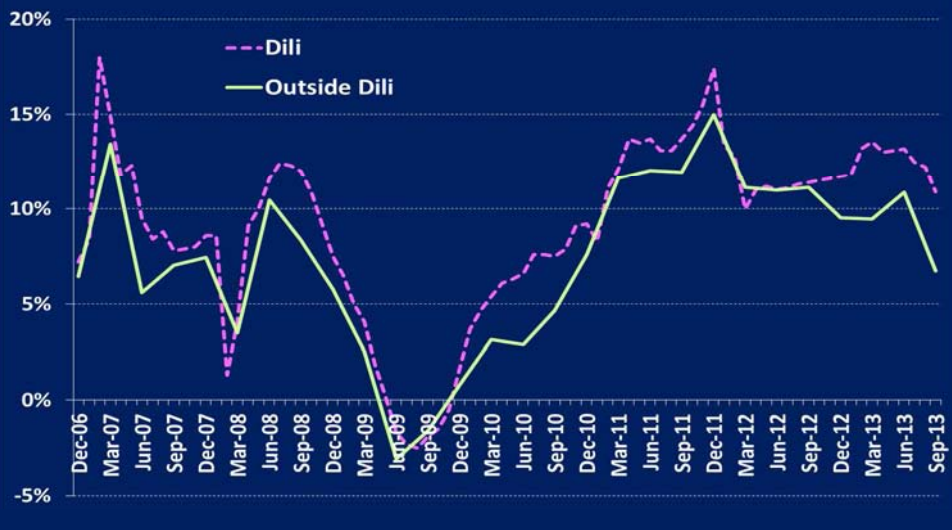


Timor-Leste is struggling to find jobs for 15,000 people who will enter the work force in 2013.

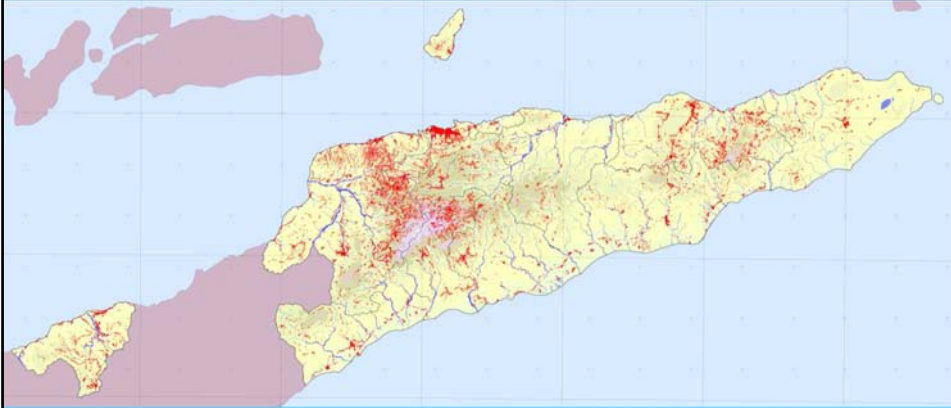
By 2024, it will almost 30,000 each year, and the oil will be gone. Today's youth will have children of their own.

Year-on-year inflation

Inflation since 2009 comes from the government spending more than the economy can absorb.

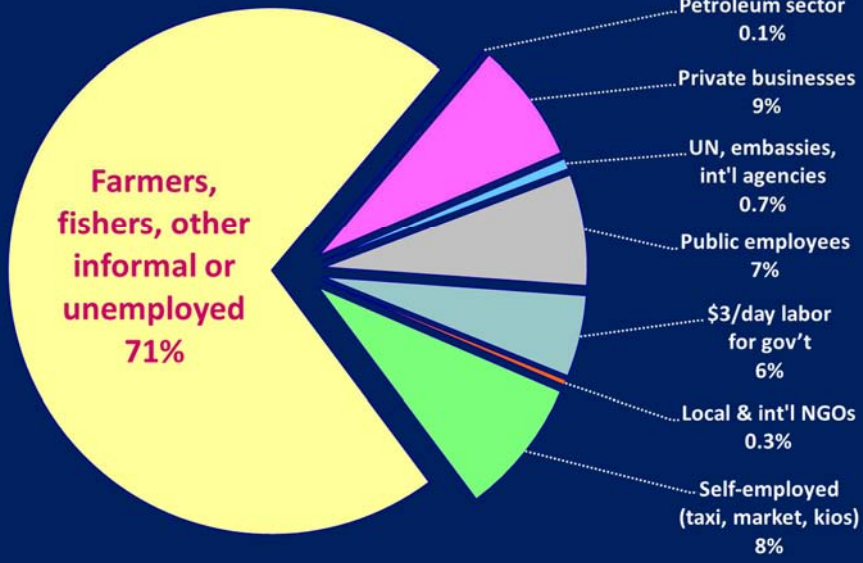


Most people live in rural areas by subsistence agriculture.

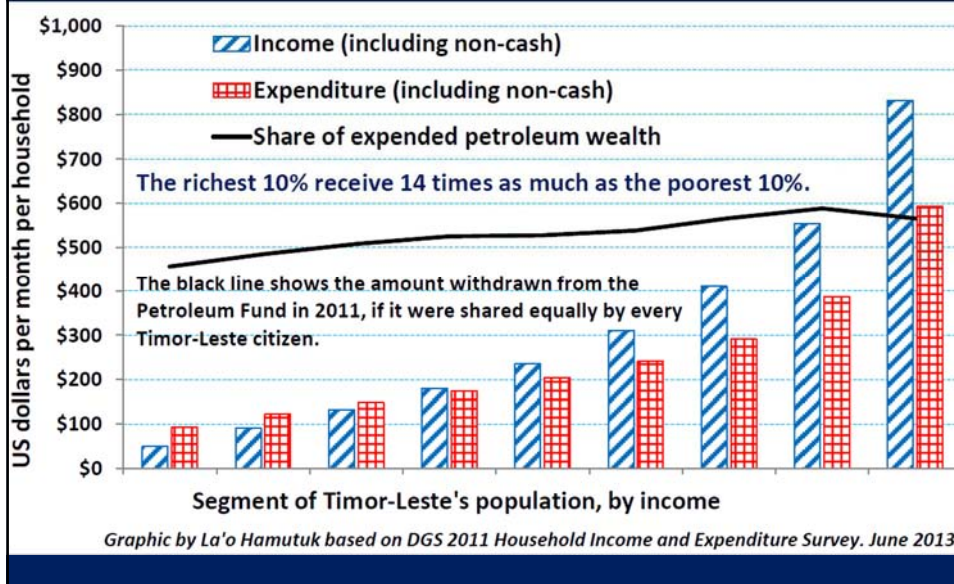


Agriculture will get 2.3% of state expenditures in 2014, although it is the livelihood of 75% of the population.

What do 600,000 working-age Timorese do for work?



We have a few rich, but many poor.



Dili is very different from the districts.

From Timor-Leste Demographic and Health Survey 2009-2010

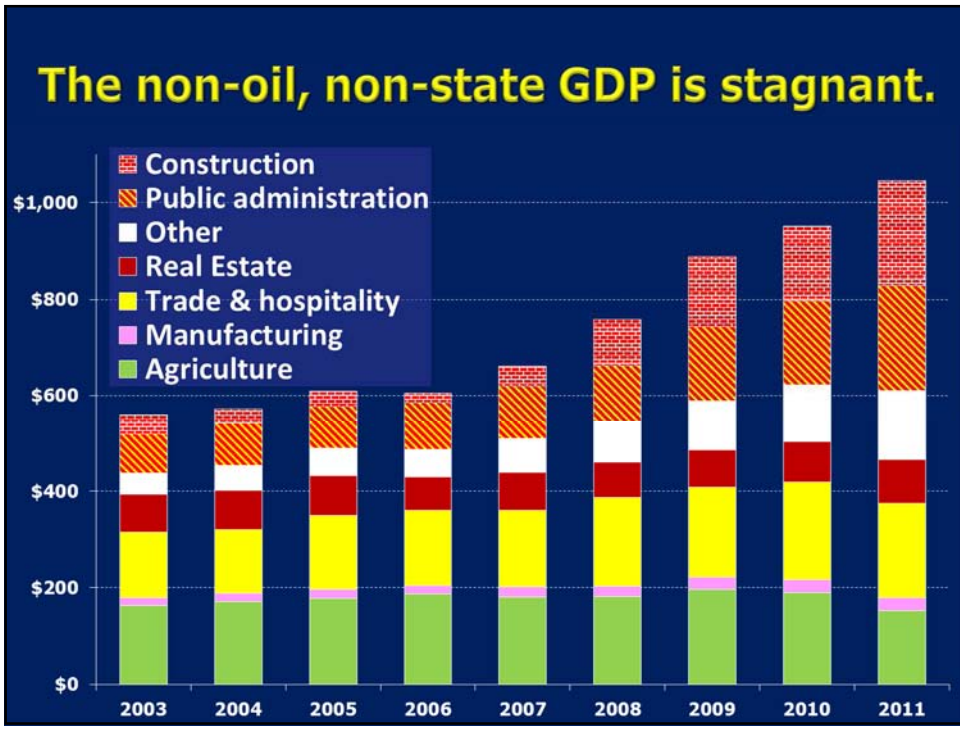
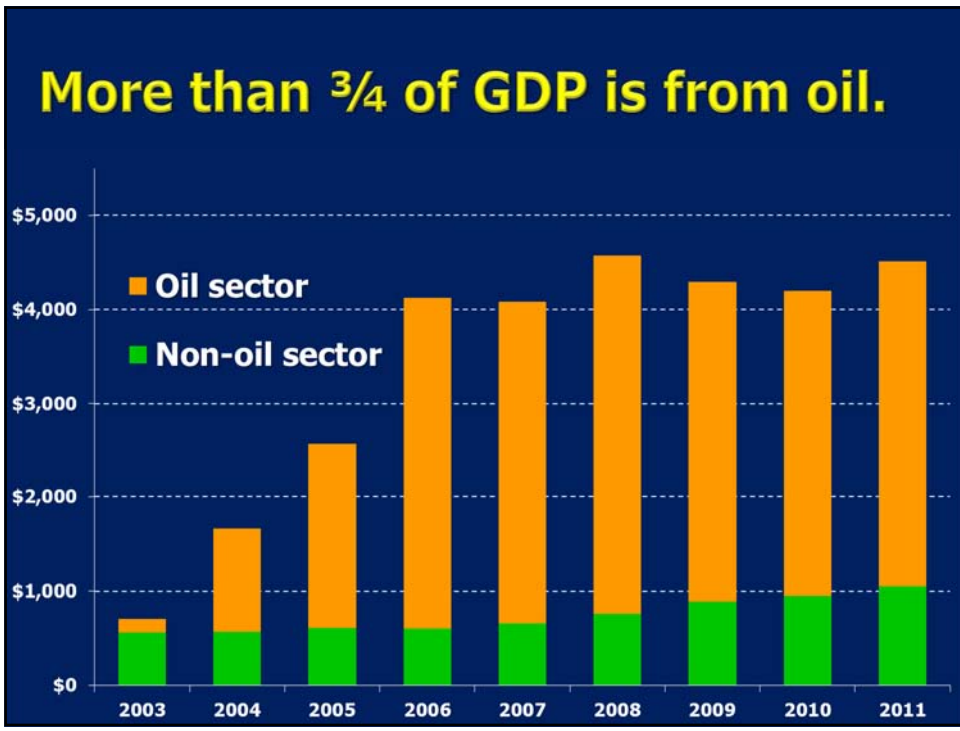
Table 2.11 Wealth quintiles

Percent distribution of the de jure population by wealth quintiles, according to residence and region, Timor-Leste 2009-10

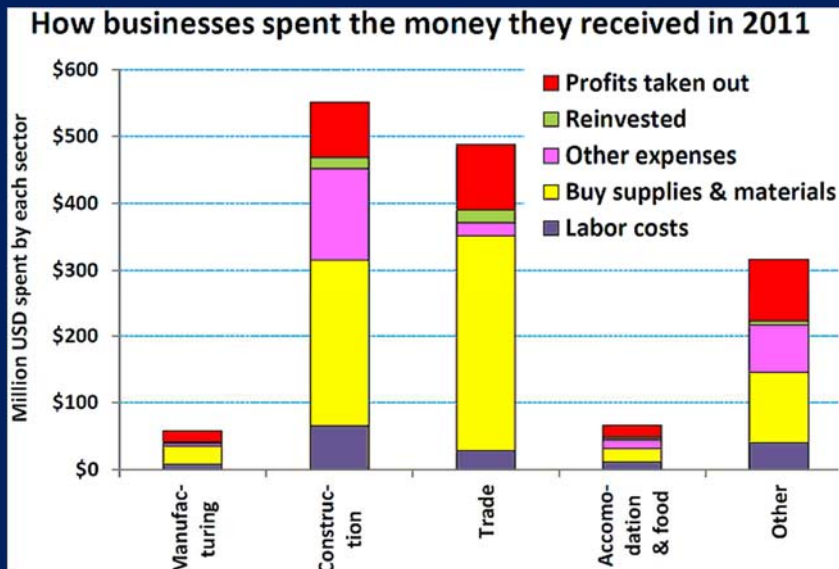
Residence/ region	Wealth quintile					Total	Number of population
	Lowest	Second	Middle	Fourth	Highest		
Residence							
Urban	4.5	6.1	9.3	22.2	57.8	100.0	15,852
Rural	24.6	24.2	23.3	19.2	8.7	100.0	51,134
District							
Aileu	20.6	27.9	25.1	18.2	8.2	100.0	2,785
Ainaro	30.9	32.2	19.7	12.1	5.2	100.0	3,830
Baucau	26.9	28.9	19.3	13.4	11.5	100.0	7,590
Bobonaro	15.2	19.7	26.1	27.8	11.1	100.0	6,323
Covalima	17.2	17.7	23.1	25.1	16.8	100.0	3,993
Dili	0.4	2.1	6.5	20.1	71.0	100.0	10,905
Ermera	9.8	30.2	31.9	21.5	6.6	100.0	8,132
Lautem	28.0	16.7	20.4	24.5	10.4	100.0	4,547
Liquiçá	15.7	18.8	25.3	25.1	15.2	100.0	4,082
Manatuto	22.2	10.9	22.5	27.7	16.8	100.0	3,088
Manufahi	28.3	25.1	18.1	16.6	12.0	100.0	2,699
Oecussi	46.6	17.1	14.4	14.2	7.6	100.0	4,281
Viqueque	35.3	25.5	17.4	13.0	8.7	100.0	4,730
Total	19.9	19.9	20.0	19.9	20.3	100.0	66,985

More than 70% of Dili's population are among the wealthiest 20% of Timorese, while only 2% are below the poverty line.

More than half of families outside Dili live in poverty.



Our businesses don't invest in themselves.



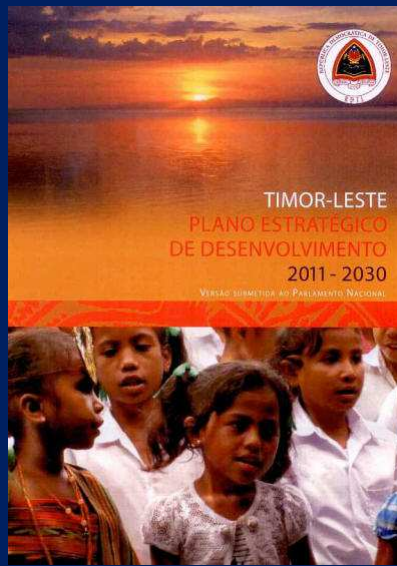
3. Unrealistic dreams

Current plans for development will not sustainably improve people's lives.

They rely on Greater Sunrise gas, which is limited and may never come to TL's land or treasury.

The Strategic Development Plan


- Issued July 2011, promises to make TL an Upper Middle Income Country by 2030.
- A vision and dream, not a realistic plan.
- Focuses on physical infrastructure, not sustainable development.
- Will require loans and spending beyond TL's means.



Tasi Mane petroleum infrastructure project

- In 2010, TL began the South Coast Petroleum Corridor.
- During 2011-2013, TL spent \$35 million
- Total project costs could exceed \$2 billion (much more if Timor-Leste pays for the refinery, pipeline or LNG plant).
- The new budget allocates \$46m in 2014 and \$320m in 2015-2018, but leaves a lot out.





Tasi Mane project will include:

- **Suai:** Supply base area, Industrial estates, Nova Suai, Suai Airport, Crocodile farm
- **Betano:** Refinery and Petrochemical complex, Petroleum city (Nova Betano)
- **Beacu:** LNG Plant complex, Nova Beacu, Nova Viqueque, Viqueque airport.
- **Highway** from Suai to Beacu??

Tasi Mane includes Suai supply base, Betano refinery, Beacu LNG Plant and maybe the highway.

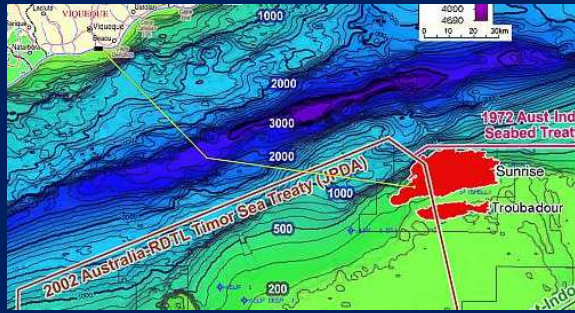


Petroleum Infrastructure Development of Suai (ISS, Nova Suai & Airport)

Station 3
68+575 to 103+050
length 34.475 km
from Betano to Clacuc

The Greater Sunrise stalemate

- The project is stalled because Timor-Leste and the companies do not agree on how it should be developed.
- Woodside and its partners Shell, ConocoPhillips and Osaka Gas believe a floating LNG plant in the sea is the most profitable.
- Timor-Leste wants a pipeline from Sunrise to Beaçú, to get more tax revenues and anchor the Tasi Mane project.
- Under contracts and treaties, the companies can choose the path, but both governments need to approve it.
- TL can withdraw from CMATS any time before a development plan is approved.

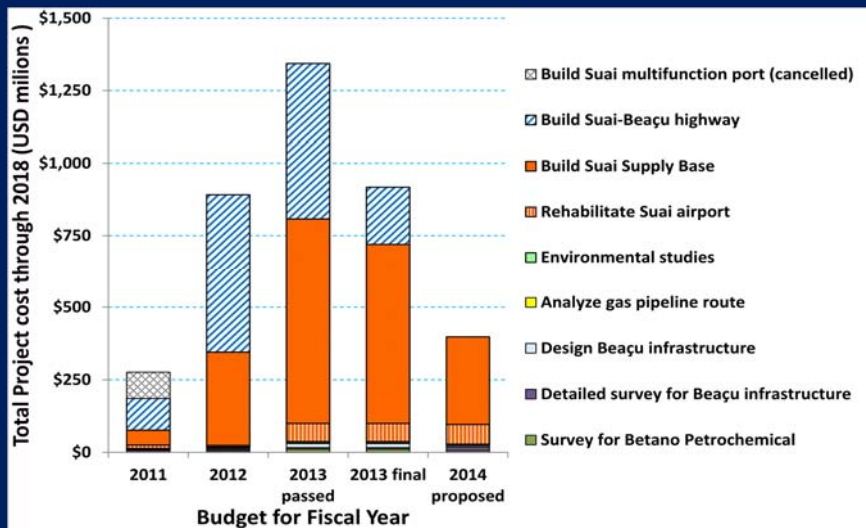


The Government brought the Sunrise Pipeline to Timor-Leste in May 2012



La'o Hamutuk

Tasi Mane Project total cost projections fluctuate wildly



Problems with the Tasi Mane project

- It makes TL more dependent on the oil and gas sector.
- Dubious concepts and planning; it is unlikely to provide a reasonable return on investment.
- It neglects sustainable development (agriculture, tourism, small industries etc.), exemplifying the obsession with oil.
- Nearly all the money spent will go to foreign companies, providing hardly any local jobs or subcontracts.
- It will create social conflict, take up land, displace people, worsen health and degrade and endanger the environment.
- Cost projections leave out most expenditures, including nearly all of the highway, LNG plant and refinery.
- What if Sunrise gas doesn't come to Timor-Leste?

The Government has made many unrealistic promises to local communities about profit-sharing, jobs and other benefits.

Draft 2014 State Budget Book 6 - Infrastructure Fund for Tasi Mane project

No.	Cod Igo	Dono do Projecto	Nome do Projecto	Orçamento 2013 após Rectificação e Saldo Transitado \$ 000	Saldo Final Transitado \$ 000	Projectos de Continuação \$ 000	Novos Projectos \$ 000	Orçamento 2014 \$ 000	Orçamento 2015 \$ 000	Orçamento 2016 \$ 000	Orçamento 2017 \$ 000	Orçamento 2018 \$ 000
Programa Desenvolvimento Tasi Mane				152,195.08	33,070.00	10,930.00	2,300.00	46,300.00	101,619.00	92,465.00	82,000.00	42,845.00
1	808	MRN P	Concepção, construção e supervisão para o desenvolvimento de infraestruturas na costa sul-Reabilitação Aeroporto de Suai	14,070.00	14,070.00	5,930.00	-	20,000.00	20,465.00	17,465.00	7,000.00	-
2	808	MRN P	Concepção de construção e supervisão para o desenvolvimento de infra-estrutura na costa sul em Suai - Base de Fornecimentos	94,450.08	18,000.00	-	-	18,000.00	80,000.00	75,000.00	75,000.00	42,845.00
3	808	MRN P	Levantamento detalhado do local para o desenvolvimento de Infra-estrutura na costa Sul em Beaco-Pre Feed LNG Beasu	546.00	-	5,000.00	-	5,000.00	1,154.00	-	-	-
4	808	MRN P	Betano Petrochemical- Estudo detalhado de "geotechnical and marine survey" - Estudo Geotechnico - Betano	3,550.00	1,000.00	-	-	1,000.00	-	-	-	-
5	808	MRN P	Construção e supervisão detalhadas relativamente a estradas e Pontes - Auto Estrada Suai-Betano-Beaco	34,040.00	-	-	-	-	-	-	-	-
6	808	MRN P	Concepção e Supervisão para o desenvolvimento de Infra-estrutura na costa Sul em Beaco	2,954.00	-	-	-	-	-	-	-	-
7	808	MRN P	Análise da Rota do Gazoduto para o desenvolvimento de Infra-estruturas na Costa Sul	1,097.00	-	-	-	-	-	-	-	-
8	808	MRN P	Estudos ambientais (S/B/B) para o desenvolvimento de infra-estruturas na costa Sul	1,488.00	-	-	-	-	-	-	-	-
9	808	MRN P	Desenho Plano Urbano - Suai	-	-	-	2,000.00	2,000.00	-	-	-	-
10	808	MRN P	Estudo e Levantamento de Abastecimento de Água-Dalo Rua e Dalo Tolu	-	-	-	300.00	300.00	-	-	-	-

Is the highway really cancelled?

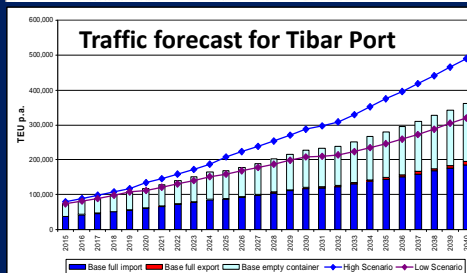
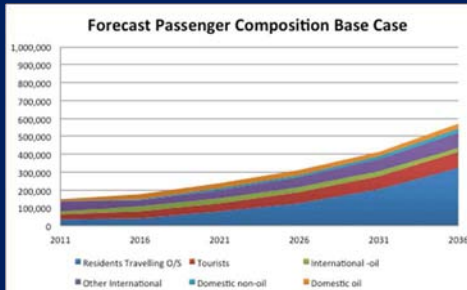
No.	Cod Igo	Dono do Projecto	Nome do Projecto	Orçamento 2013 após Rectificação e Saldo Transitado \$ 000	Saldo Final Transitado \$ 000	Projectos de Continuação \$ 000	Novos Projectos \$ 000	Orçamento 2014 \$ 000	Orçamento 2015 \$ 000	Orçamento 2016 \$ 000	Orçamento 2017 \$ 000	Orçamento 2018 \$ 000
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4	808	MRN P	Betano Petrochemical- Estudo detalhado de "geotechnical and marine survey" - Estudo Geotechnico - Betano	3,550.00	1,000.00	-	-	1,000.00	-	-	-	-
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6	808	MRN P	Concepção e Supervisão para o desenvolvimento de Infra-estrutura na costa Sul em Beaco	2,954.00	-	-	-	-	-	-	-	-
7	808	MRN P	Análise da Rota do Gazoduto para o desenvolvimento de Infra-estruturas na Costa Sul	1,097.00	-	-	-	-	-	-	-	-
8	808	MRN P	Estudos ambientais (S/B/B) para o desenvolvimento de infra-estruturas na costa Sul	1,488.00	-	-	-	-	-	-	-	-
9	808	MRN P	Desenho Plano Urbano - Suai	-	-	-	2,000.00	2,000.00	-	-	-	-
10	808	MRN P	Estudo e Levantamento de Abastecimento de Água-Dalo Rua e Dalo Tolu	-	-	-	300.00	300.00	-	-	-	-

On 11 November, the President of TimorGAP told Parliament:

- Therefore, realistically the Construction of the Highway Project will begin in May 2014.
- In May 2014, there will be an advance payment of 20% of the project cost (±\$250 million) of \$50 million.
- From May-December 2014, physical progress of construction can achieve 25%, which requires allocating \$12.5m more, which can be allocated in a mid-year budget adjustment.

Overbuilding ports and airports

- IFC is encouraging Timor-Leste to build a port and airport far beyond realistic traffic expectations.
- How will the country pay for a \$6 billion annual trade deficit after the oil is gone?



TL is going deeper into debt.

- Laws since 2009 paved the way for foreign loans.
- Last year, Timor-Leste signed contracts to borrow \$107 million from Japan and the ADB.
- This month, it signed for \$90 million more from the ADB and World Bank.
- During 2014-2018, it hopes to borrow half a billion dollars. See the proposed infrastructure budget:

2014	2015	2016	2017	2018
\$51m	\$117m	\$158m	\$140m	\$37m

Most loans will pay for roads.

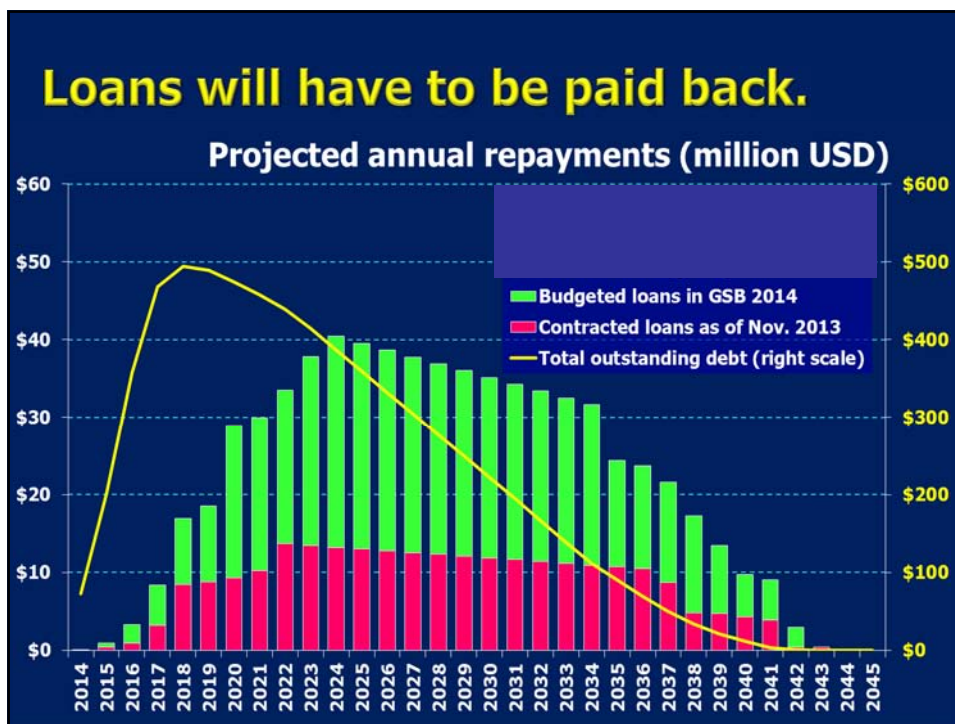
Projects to be financed with borrowed money, 2012-2016



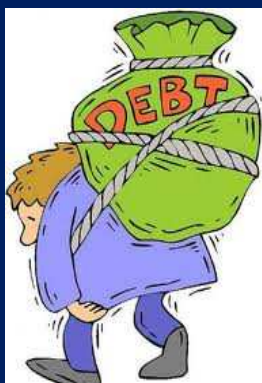
Currently announced loans

Draft 2014 State Budget Book 6 - Special Funds

No.	Cod Igo	Dono do Projecto	Nome do Projecto	Orçamento 2013 apos Rectificação e Saldo Transitado	Saldo Final Transitado	Projectos de Continuação	Novos Projectos	Orçamento 2014	Orçamento 2015	Orçamento 2016	Orçamento 2017	Orçamento 2018
				\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000	\$ 000
			Programa de Empréstimos	43,588.00	18,108.00	30,940.50	2,000.00	51,048.50	117,270.00	158,150.00	139,501.50	37,000.00
1	809	MOF/MOP	Construção e supervisão estradas Dili-Liquica (L) e Alinhamento de Estradas desde Cruzamento Tibar a Rotunda Lafatic Quatro Vias	5,000.00	540.00	5,314.50	-	5,854.50	5,000.00	1,500.00	-	-
2	809	MOF/MOP	Construção e supervisão estradas Tibar-Gleno (L)	5,000.00	540.00	8,686.00	-	9,226.00	5,000.00	3,500.00	999.50	-
3	809	MOF/MOP	Construção e supervisão de estradas Dili-Manatuto-Baucau (L)	3,088.00	1,778.00	8,940.00	-	10,718.00	20,000.00	27,000.00	9,672.00	-
4	809	MOF/MOP	Construção e supervisão de estradas Manatuto-Natarbora (L)	250.00	250.00	8,000.00	-	8,250.00	24,270.00	18,150.00	9,330.00	-
5	809	MOF/MOP	Construção e supervisão de estradas Aileu-Maubesse e Ainaro (L)	10,000.00	5,000.00	-	-	5,000.00	10,000.00	17,000.00	8,000.00	-
6	809	MOF/MOP	Drenagem de Dili (Esgoto) (L)	20,000.00	10,000.00	-	-	10,000.00	10,000.00	20,000.00	10,000.00	-
7	809	MOF/MOP	Construção e supervisão de estradas Ainaro-Cassa (L)	250.00	-	-	-	-	5,000.00	10,000.00	3,500.00	-
8	809	MOF/MOP	Construção e supervisão de estradas Aluto-Hatubuiliko-Letefoho-Ermera-Gleno (L)	-	-	-	-	-	3,000.00	12,000.00	30,000.00	15,000.00
9	809	MOF/MOP	Construção e supervisão de estradas Kuncing-Solerema (L)	0	-	-	-	-	5,000.00	12,000.00	3000	0
10	809	MOF/MTC	Construção e supervisão do Aeroporto Internacional Nicolau Lobato [Runway + Terminal phase II]	0	-	-	2,000.00	2,000.00	15,000.00	25,000.00	40,000.00	14,000.00
11	809	MOF/MOP	Construção e supervisão de estradas Baucau-Lautem	0	-	-	-	-	15,000.00	12,000.00	25,000.00	8,000.00



Important to consider



- Implementing the SDP will require billions of dollars in loans, probably at commercial rates.
- Even at concessional rates, repaying a loan will permanently reduce money in the Petroleum Fund. The yen loan makes us hostage to a strong dollar.
- TL's oil and gas are small and non-renewable, and future oil prices are unpredictable.
- TL will have to make loan repayments before spending money on people's needs or developing other sectors.
- Our children and grandchildren will inherit the debt after the oil wells have run dry.

4. Impunity and accountability

**Impunity for past crimes
undermines future stability,
security and rule of law.**

Impunity and accountability for crimes against humanity

- 1975-1999: Indonesian invasion and occupation killed about 180,000 people in a systematic and planned policy executed throughout Timor-Leste.
- 2000: Indonesian Commission on Human Rights Abuses in TL (KPP HAM) reported on 1999 crimes and recommended an international mechanism.
- 2001-2004: UN-supported Serious Crimes Unit indicted 391 people for 1999 crimes. All Indonesian and most Timorese indictees live free in Indonesia.
- 2001-2005: TL's Commission for Reception, Truth and Reconciliation (CAVR) researched history and encouraged reconciliation among Timorese. Its extensive report made 200 recommendations, including that if other processes fail, the UN should create an international tribunal.
- 2005: UN Commission of Experts (COE) reviewed legal processes to date and recommended creating an international mechanism.
- 2005: TL and Indonesian governments created the Commission of Truth and Friendship (CTF) using diplomacy to avoid individual accountability.

Until today, not one legitimate process in Indonesia or Timor-Leste has held major criminals accountable.

Indonesia's occupation included many massacres.



Above: 1983 massacre in Kraras, Viqueque



Right: Commemorating the 10th anniversary of the 1999 Suai Church massacre. Indicted ringleader Maternus Bere was illegally freed due to Indonesian pressure on TL's leaders.



UN Serious Crimes Unit Special Panel

The UN-supported Serious Crimes Unit indicted 391 people for 1999 crimes, tried 87 Timorese and convicted 84.

All Indonesian indictees and most Timorese are living free in Indonesia, and recent efforts to prosecute were blocked by political interference.



2004: President Xanana Gusmão and indicted ex-General Wiranto

The Serious Crimes Unit issued an arrest warrant for former Indonesian military chief Wiranto for Crimes Against Humanity weeks before this photo was taken in Bali.

Wiranto later ran twice for President of Indonesia.



Ongoing impunity creates insecurity.

- Today, all the main perpetrators of crimes against humanity during the Indonesian occupation are free in Indonesia, including everyone responsible for the 99% of occupation-related killings committed between 1975 and 1998.
- They are all protected by the Indonesian government, and many hold high Indonesian political and military positions.
- This ongoing impunity greatly threatens peace, security, democracy, rule of law and moral values in both Timor-Leste and Indonesia.

UN Special Rapporteur on Extreme Poverty

“Ending impunity is an essential prerequisite to ensuring stability, peace and sustainability. The Special Rapporteur encourages the State to take measures to ensure that post-conflict justice and reconciliation is prioritized and that a legal framework is put in place to ensure that those responsible for serious crimes during the conflict are called to account for their deeds, and the victims of those crimes are able to access reparations. She also reminds the Government of Indonesia, the United Nations and the international community of the role they must play in ensuring that the perpetrators of crimes during the Indonesian occupation are brought to justice.”

June 2012 report to Human Rights Council

What happens next?

- Today, neither Indonesia, Timor-Leste nor the international community has the political will to bring these criminals to justice.
- The Commission of Experts report has never been discussed in the Security Council.
- UNMIT left Timor-Leste at the end of 2012, having failed to achieve justice.
- UN policy and global consensus says that there can never be impunity for crimes against humanity. **Chega!**

A luta continua. We continue to demand that people who violate the law be held accountable for their crimes.

5. Access to land

Land is the base of our socio-cultural lives.

Recent developments could increase injustice and conflict.

Traditional land system before Portuguese colonization and Indonesian occupation

Land functions

- Determines our origin and identity
- Place occupied by our ancestors spirits
- Socio-cultural functions linked to tradition and cosmos
- Collective economic function

Access to land

- Inheritance
- Traditional system allowing right to collective use
- Property right allowed after occupying land for a long time



Land management

- Traditional collective management system at the family and village levels (Tara Bandu).

Consequences of colonization and occupation

Introduction of a new coercive system

- Forced displacement
- Transmigration
- Taxes
- Certificates
- Corruption and stealing

Changes in land functions

Land as a strategic tool to

- Reinforce power and domination
- Support Portuguese and Indonesian economy
- Increase people's dependency and vulnerability

Land as a commodity without soul

Privatization: communities lose rights to individuals.

Desertification: monocrop agriculture depletes soil.

Land registration in Portuguese and Indonesian times

- 200,000 parcels already registered.
- 2,843 land titles issued by Portuguese.
- 34,965 land titles issued by Indonesians including 30% through corruption.

This system transferred land ownership from Timorese families and communities to more than 100,000 non-Timorese private owners.

Land law elaboration

In 2009, the Ministry of Justice, with the support of USAID, implemented the cadastre and registration system and created the Special Regime for Determination of Ownership of Immovable Property, Expropriation Law and Real Estate Finance Fund Law.



These laws were elaborated with very limited community participation.

Land law concept

Establishment of a formal, basic land tenure system to address:

- needs of the modern
- urban sector
- formal land transactions
- registration.

It must also respect traditional land and customs.



Who will benefit from these land laws?

- **The State.**
Land "owned" by Portuguese and Indonesian administrations automatically becomes Timor-Leste state property without considering how the occupiers got it.
- **People who got certificates during Portuguese and Indonesian times.**
- **Rich and powerful people.**
People with a lot of land and money can pay taxes and exert disproportionate influence.

Likely consequences of the implementation of the Land Laws

Social, cultural and economic impacts:

- Land will become a commodity with no spiritual value.
- Degradation of our cultural system which is based on collective values.
- Land concentration in the hands of rich and powerful people.
- Increasing cases of eviction.
- Poor people will lose their land.
- Less land available for agriculture and production.
- Emergence of slums, landlessness and homelessness.

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- November 2013: [proposed 2014 General State Budget](#), with budget books, [LH letter to Parliament](#) (also [Tetum](#)), analysis and [hearing schedule](#)

Pagina indise

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[Baze Fornesimentu Iha Suai](#) (10/13)
[Portu Tibar no Aeroportu Dili](#) (5/13)
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[Dokumentu husi UNMIT no UN](#) (12/12)

Index pages

[2014 General State Budget](#) (11/13)
[Suai Supply Base](#) (11/13)
[Dili airport and Tibar Port](#) (11/13)
[Petroleum Fund](#) (11/13)
[Donors' conference](#) (6/13)
[2013 General State Budget](#) (5/13)
[Maritime boundaries](#) (7/13)
[Tasi Mane oil/gas project](#) (11/13)
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